

# Agasti Holding ASA

## Interim report

### 2<sup>nd</sup> quarter 2014

### 1<sup>st</sup> half of 2014

20 August 2014



# Second quarter highlights

## Agasti posts positive half-year results despite a major restructuring

- EBITDA of NOK 5 million and EBIT of NOK 1 million in the second quarter of 2014, after restructuring costs of 13 million have been charged
- EBITDA of NOK 15 million and EBIT of NOK 8 million in the first half-year of 2014, after restructuring costs of 16 million have been charged
- The restructuring of the Group has been completed faster than expected and with lower restructuring costs than previously estimated
- Activities within investment advisory will be discontinued. All of the offices in Norway and Sweden have either been closed, are being closed or have been sold to third parties. Clients are served efficiently by brokers and our investor service in Oslo, Stavanger and Stockholm
- High levels of activity have contributed to significant transaction income in the Markets segment (business areas Capital Markets and Investment Management)
- Hyresbostäder i Sverige II AB, managed by Obligo Investment Management, will be merged with the Swedish company D. Carnegie & Co AB, to establish Sweden's largest listed property company

The Agasti Group (Agasti) achieved an EBIT of NOK 1 million in the second quarter of 2014, compared with minus NOK 3 million in the corresponding quarter in 2013. The positive result comes despite the fact that the Group has charged restructuring costs of NOK 13 million during the quarter in connection with the wind up of the investment advisory business. In the first six months Agasti achieved an EBIT of NOK 8 million, compared with minus NOK 7 million and minus NOK 37 million in the corresponding periods in 2013 and 2012, respectively. EBITDA for the first half of 2014 amounted to NOK 15 million, after restructuring costs of NOK 16 million and prepaid expenses related to projects in the Markets segment of 5.5 million being charged. This is an improvement of about NOK 12 million and NOK 41 million compared with the same periods in 2013 and 2012.

"Earnings trends in the Group are moving in the right direction. Transaction activity is high, resulting in substantial improvement in the results from ongoing operations. Despite the challenges we have faced, including the extensive restructuring of the Group, we are delivering in accordance with our aspirations," says the CEO of Agasti Holding ASA, Jørgen Pleym Ulvness.

The underlying strategic platform remains unchanged, although the organisation of how we service the clients of the Agasti Group has changed. Our goal is

- Payments of NOK 900 million to shareholders in alternative investments in the second quarter. In total NOK 1.6 billion has been paid since the summer of 2013



Jørgen Pleym Ulvness, CEO

to create and secure value for our clients' investments. The steps currently being undertaken in the investment companies Hyresbostäder in Sverige II AB (HBS II) and Etatbygg Holding I and II, all managed by Agasti's subsidiary Obligo Investment Management, illustrate this.

All these companies are undergoing extensive structural changes to highlight portfolio values, ensure better liquidity and ensure choice for shareholders with respect to future exposure.

"Our strategy remains unchanged, and the transactions now being conducted in HBS II and Etatbygg I and II clearly show how Agasti is focused on creating value and ROI for clients. In addition to these structural changes there is the ongoing return on our investment management, not to mention payments to shareholders by the investment companies, totalling NOK 1.6 billion since the summer of 2013. We get a lot of positive feedback from our clients, which inspires us to work even harder, thereby creating value for our shareholders," says Ulvness.

As a result of the wind up of the Group's investment advisory business, the second quarter has been subject to massive changes. The decision was made to reduce the workforce by approximately 100 employees, so that at the end of the third quarter, the Group will have around 130 employees. In addition, all

of the advisory offices in Norway and Sweden have either been closed, are being closed or have been sold to third parties. With effect from the end of 2014, the annual cost base will have been reduced by between NOK 100 and 120 million compared with 2013, while annual recurring revenue will be reduced by about NOK 90 million. This follows as a result of a decision that from the end of June clients will no longer be charged advisory fees. In parallel with this, the Group's strategic direction has been adjusted so that clients are now serviced in a significantly more cost effective way.

"Implementing such massive changes, while keeping the focus on creating results for clients and shareholders has been a demanding exercise, but I think we've performed well, given the circumstances. We have done what we said we would do, and we have done it faster and more cost efficient than planned," says Ulvness.

"We can conclude that we have succeeded in the choice of route that we made in autumn 2012. It is the Group's changed strategy from the autumn of 2012, which focuses on building a leading investment management environment within direct and alternative investments, well supported by a restructuring competent Capital Markets division, that has now secured our profitability and future potential. The development of the Investment Management and Capital Markets business areas now ensures our clients better investment opportunities, solid management and more options. Our earnings trend shows that we are well on our way, but we will continue to work hard to create the best possible returns and values for both clients and shareholders," says Jørgen Pleym Ulvness.

	Second quarter		Year to date		Year
	2014	2013	2014	2013	2013
Total revenues (MNOK)	117	99	222	195	421
Total operating costs (MNOK)	115	102	215	202	425
EBITDA (MNOK)	5	2	15	3	23
EBIT (MNOK)	1	-3	8	-7	-4
Earnings per share (NOK)	0.01	0.00	0.02	-0.01	-0.01
Equity under management (BNOK)	29	27	29	27	30
Assets under management (BNOK)	55	57	55	57	57
Gross subscriptions (MNOK)	188	752	805	1,308	2,989
Recurring revenues / fixed costs	100%	115%	109%	112%	116%
Recurring revenues / fixed and activity-based costs	80%	92%	88%	93%	97%

# Interim report

## Clients

Our clients numbered approximately 42,500 at the end of the second quarter of 2014. Clients are offered a wide range of financial and investment management services.

Naviga Securities AS no longer offers investment advisory services, and will discontinue its activities during 2014. Going forward, clients will be offered investment services and order execution via the group's brokerage services provided by the subsidiary Agasti Wunderlich Capital Markets AS. Clients' investments within real estate and other direct and indirect investments are effectively managed by the investment management team in Obligo Investment Management AS.

The Agasti Group is currently working on establishing an attractive and liquid funds platform that will ensure our clients continued access to UCITS-funds investments of high quality. Services will include individual UCITS-funds and various fund of funds solutions, and will be based on the same first-class selection of funds, the same expertise and thus the same independence as before. At the same time, the distribution capacity is improved, in order to increase the attractiveness of being part of the group's selection of funds.

## Return on clients' investments

Clients' investments in the "core" and "spicy" mutual fund selections yielded returns of 5.2% and 11.3% respectively for the second quarter of 2014, compared with the Morgan Stanley World Index return of 6.7% and the Morgan Stanley Emerging Markets Index return of 8.2%. Our selection of fixed income and equity funds on the focus list constitutes around 90% of all our clients' investments in securities with us.

The volume-weighted average return for real estate products in the second quarter was -1.3%, compared with the portfolio target of 2.3%. Real estate project valuations are updated quarterly on the basis of estimates from independent brokers or official bids for single properties or portfolios of properties.

### Return on clients' investments

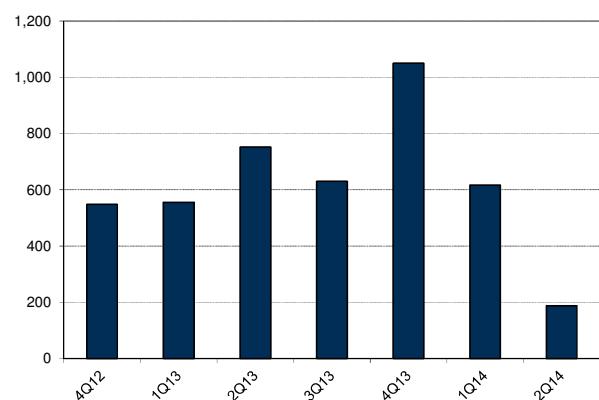
	Second quarter 2014		Full year 2013	
	Benchmark / Actual	mandate	Benchmark / Actual	mandate
Mutual funds "core"	5.2%	6.7%	20.5%	38.0%
Mutual funds "spicy"	11.3%	8.2%	15.8%	3.5%
Real estate	-1.3%	2.3%	19.9%	9.0%

## Subscriptions, client equity and assets under management

Reported gross subscriptions in the second quarter of 2014 were NOK 188 million, compared with NOK 752 million in the second quarter of 2013. Net subscriptions in the second quarter of 2014 were NOK -600 million. The figures are greatly influenced by the fact that the investment advisory business was resolved to be discontinued during the second quarter.

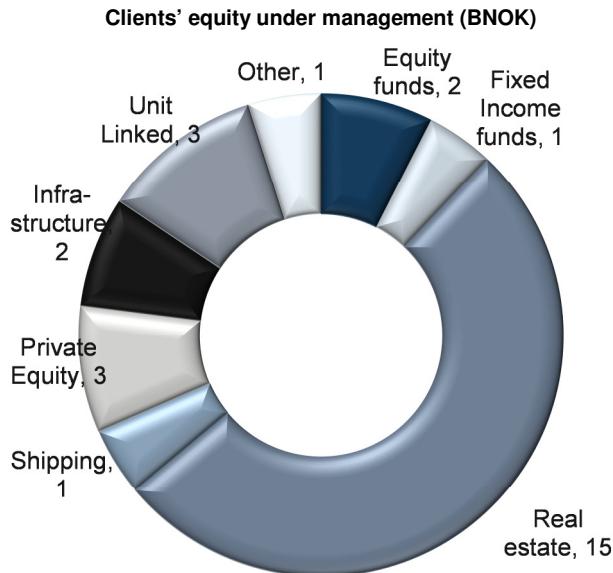
Fixed Income funds and Equity funds continues to be the investment products most in demand with gross subscriptions during the quarter of NOK 84 million and NOK 65 million, respectively. The comparable figures for the corresponding quarter last year were NOK 334 million for Fixed Income funds and NOK 189 million for Equity funds.

Gross subscriptions (MNOK)



Clients' equity under management at the end of June 2014 totalled NOK 29 billion, which is approximately NOK 790 million less than at end of March 2014. The reduction in clients' equity under management is mainly explained by dividends/payments from various portfolios totalling around NOK 900 million.

Real estate is the asset class in which the Agasti Group's clients have invested most equity, at a total of NOK 15 billion. Unit Linked and Private Equity are the second largest asset classes with respect to equity, where clients have invested NOK 3 billion in each. Clients' equity in the asset classes Infrastructure and Equity funds amounts to NOK 2 billion in each.



Assets under management at the end of the second quarter of 2014 totalled NOK 55 billion, which is approximately NOK 1 billion less than the previous quarter.

Real estate is still the largest asset class with assets totalling NOK 37 billion, unchanged from the previous quarter. The second largest asset classes are Shipping and Private Equity, in which the Agasti Group has NOK 4 billion in assets under management in each.

Following the wind up of the Agasti Group's activities within investment advisory services it is expected that some clients will choose to end their relationship with the Group with a subsequent effect on the assets under management figures. Especially the asset classes Equity funds and Fixed Income funds are expected to be negatively affected in the short run.

## Financial summary

(Figures in MNOK)

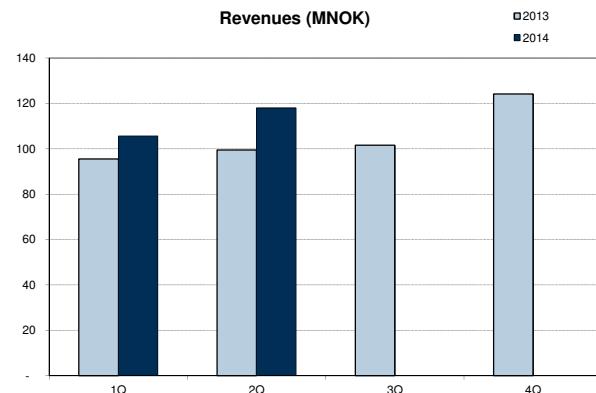
	Second quarter		Year to date		Year 2013
	2014	2013	2014	2013	
Transaction revenues	32	12	46	22	59
Recurring revenues	85	87	176	173	362
<b>Total revenues</b>	<b>117</b>	<b>99</b>	<b>222</b>	<b>195</b>	<b>421</b>
Variable operating costs	6	2	7	5	23
Activity-based costs	21	19	38	32	63
Fixed operating costs	85	76	162	155	312
<b>Total operating costs</b>	<b>112</b>	<b>97</b>	<b>207</b>	<b>192</b>	<b>398</b>
<b>EBITDA</b>	<b>5</b>	<b>2</b>	<b>15</b>	<b>3</b>	<b>23</b>
Depreciation a.o.	4	5	8	10	27
<b>EBIT</b>	<b>1</b>	<b>-3</b>	<b>8</b>	<b>-7</b>	<b>-4</b>
Net financial items	1	2	-1	4	7
<b>Net income before tax</b>	<b>2</b>	<b>-1</b>	<b>7</b>	<b>-3</b>	<b>3</b>
Tax	1	0	2	-1	5
<b>Net income</b>	<b>2</b>	<b>-1</b>	<b>5</b>	<b>-2</b>	<b>-2</b>

## Revenues (figures for 2013 in brackets)

2nd quarter and 1st half of 2014

Total revenues for the Group amounted to NOK 222 million in the first half of 2014, compared with NOK 195 million for the same period in the previous year.

Total revenues for the Group ended at NOK 117 million in the second quarter of 2014 (NOK 99 million). Transaction revenues were NOK 32 million (NOK 12 million), to which Markets and Wealth Management contributed approximately NOK 26 million and NOK 5 million respectively. Transaction revenues have improved by NOK 24 million in the first half of 2014, or 111%, compared with the corresponding period last year.



Following the decision from the Norwegian Financial Supervisory Authority's regarding the revocation of the licences of Navigea Securities AS, the company as of 20 June 2014 no longer charges clients with advisory fees. The decision will affect the Agasti Group's revenues with approximately NOK 90 million annually. Recurring revenues amounted to NOK 85 million in the second quarter of 2014, compared with NOK 87 million in the corresponding quarter of 2013.

Recurring revenues covered 80% of fixed and activity-based costs in the second quarter of 2014. The corresponding figure for the second quarter of 2013 was 92%. The figure is influenced by the effect of restructuring costs related to the Wealth Management segment and pre-paid expenses associated with projects in the Markets segment.

## Operating costs

Total operating costs, including depreciation for the Group totalled NOK 215 million in the first half of 2014, compared with NOK 202 million in the same period the previous year. The increase in operating costs is mainly explained by restructuring costs of NOK 16 million in the first half of 2014.

Total operating costs, including depreciation, were NOK 115 million in the second quarter of 2014, which is an increase of NOK 13 million compared with the corresponding quarter of last year. The increase in operating costs is mainly explained by restructuring costs of NOK 13 million in the quarter.

Variable and activity-based costs in the second quarter of 2014 totalled NOK 6 million and NOK 21 million respectively, a total increase of NOK 5 million compared with the corresponding quarter of 2013.

Fixed operating costs were NOK 85 million in the second quarter of 2014, compared with NOK 76 million in the corresponding quarter of 2013. The increase in fixed operating costs is mainly explained by restructuring costs in the quarter, partly offset by a lower cost base following the cost reduction programmes initiated in 2013 and 2014.

Restructuring costs in the second quarter of 2014 were NOK 13 million. The remaining provisions relating to the restructuring of the Group as at 30 June 2014 totals NOK 19 million, of which NOK 10 million are related to workforce reductions, and NOK 9 million are related to close down of offices and operations within the Group's activities within investment advisory business. According to the restructuring plan, everything except some provisions for future rent obligations will accrue in 2014. With effect from the end of 2014, the restructuring process will reduce the annual cost base by NOK 100 – 120 million compared to 2013.

Depreciation and other comprised NOK 4 million in the second quarter of 2014, which is a reduction of NOK 1 million from the corresponding quarter of 2013.

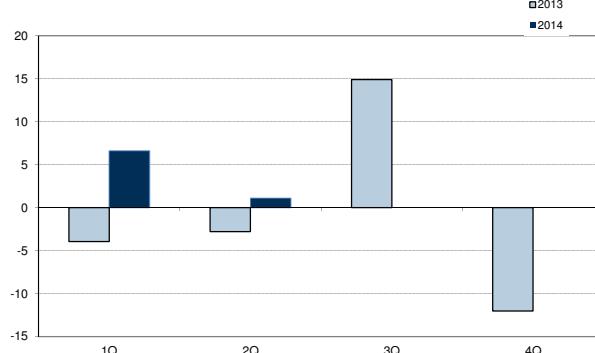
At the end of June 2014, the Agasti Group had 165 employees, excluding 7 employees on leave. In addition to these figures, 15 persons have been hired on a temporary basis.

### Operating earnings

EBIT for the Group totalled NOK 8 million for the first half of 2014. The comparable figures for the same period in 2013 were NOK -7 million. The strong improvement of NOK 14 million in EBIT proves that the Group's operations are continuing to show a positive development.

EBIT in the second quarter of 2014 ended at NOK 1 million, compared with NOK -3 million in the corresponding quarter of 2013.

Operating earnings - EBIT (MNOK)



Net income in the second quarter of 2014 ended at NOK 2 million (NOK -1 million), which translates to an EPS of NOK 0.01, compared with NOK 0.00 in the corresponding quarter of 2013.

Total comprehensive income in the second quarter of 2014 was NOK 2 million, compared with NOK -1 million in the corresponding quarter of 2013.

### Balance sheet

Total assets as at 30 June 2014 were NOK 432 million, compared with NOK 407 million as at 31 March 2014. Consolidated equity as at 30 June 2014 was NOK 237 million, compared to NOK 186 million at the same time last year, and NOK 234 million as at 31 March 2014.

In order to fulfil the company's obligations under a share option programme, the company resolved on 13 February 2014 to increase the company's share capital by NOK 43,443.54 through the issuing of 241,353 new shares, each with a nominal value of NOK 0.18.

Agasti Holding ASA is subject to capital adequacy requirements on a consolidated basis, cf. Section 9-21 of the Securities Trading Act. Calculation of subordinated capital and capital adequacy as at 30 June 2014 proves that Agasti Holding ASA is in line with the authorities' requirements.

The Agasti Group has limited risk on its balance sheet. As at 30 June 2014, the Group had bank deposits totalling NOK 130 million. Liabilities to credit institutions were NOK 11 million.

### Segment information

#### Wealth Management

The Wealth Management segment includes the Group's investment advisory services, investor service centres, custodian services and product selection unit, including support functions. As a result of a strategy process initiated in the spring of 2013, the Group's Norwegian investor service centre was transferred to Capital Markets as a part of the Markets segment effective from February 2014. Further, the Swedish customer centre operated by Navexa Securities AB is now acting as an agent on behalf of Agasti Capital Markets AS, and will be reported under the Markets segment from the third quarter of 2014.

Transaction revenues from Agasti's operations in the Wealth Management segment amounted to NOK 5 million (NOK 6 million), and recurring revenues ended at NOK 57 million in the second quarter of 2014 (NOK 62 million).

EBIT ended at NOK 0 million in the second quarter of 2014, compared with NOK 0 million in the corresponding quarter of 2013.

### **Markets (Capital Markets and Investment Management)**

The Markets segment includes the Group's business areas Capital Markets and Investment Management.

The Capital Markets business area includes the Group's operations within corporate finance, institutional sales and product development. Capital Markets also includes project brokerage and the secondary market trading of unlisted shares. As a result of a strategy process initiated in the spring of 2013, the Group's Norwegian investor service centre was transferred to Capital Markets as a part of the Markets segment effective from February 2014. Further, the Swedish customer centre operated by Navexa Securities AB is now acting as an agent on behalf of Agasti Capital Markets AS, and will be reported under the Markets segment from the third quarter of 2014.

The Investment Management business area includes the Group's business relating to fund management activities across real estate, shipping, private equity, infrastructure and other alternative investments.

In the second quarter of 2014, transaction revenues from the Group's operations in the Markets segment amounted to NOK 26 million (NOK 6 million), and recurring revenues ended at NOK 28 million (NOK 25 million).

The strong increase in transaction revenues compared with the corresponding quarter in 2013 is a result of successful closing of mandates during the quarter.

EBIT ended at NOK 11 million in the second quarter of 2014, compared with NOK 5 million in the equivalent quarter of 2013.

Activities in the Markets segment will be further developed and thus well-equipped to take on new responsibilities within product development, the administration of investment portfolios and corporate finance in the future.

### **Other**

The "Other" segment includes overhead costs and other revenues, as well as costs that are not attributable to the Wealth Management or Markets segments.

The segment had EBIT of NOK -10 million in the second quarter of 2014 after the allocation of shared costs, compared with NOK -7 million in the corresponding quarter of 2013.

### **Regulatory and legal matters**

During the fourth quarter of 2010 and first quarter of 2011, just under 450 Swedish investors, who in the years 2006 and 2007 invested in bonds issued by Lehman Brothers and distributed by Acta Kapitalförvaltning, a branch of Acta Kapitalförvaltning AS, a subsidiary of Agasti Holding ASA, brought legal action against Acta Kapitalförvaltning AS. The investors dispute the obligation to repay the loans to the bank, and have turned to Acta Kapitalförvaltning AS as the investment advisor to claim coverage for lost equity and any loan not covered by the bank. Acta Kapitalförvaltning AS considers the aggregate risk linked to these actions to be relatively limited. This assessment is supported by the Swedish National Board for Consumer Complaints (ARN), which reached a principle decision in March 2010 affirming that Acta Kapitalförvaltning AS is not liable towards investors due to inexpedient advice in connection with the bankruptcy of Lehman Brothers. Acta Kapitalförvaltning AS expects that, through individual legal proceedings, the court will come to the same conclusion as ARN. Economically, the maximum exposure is estimated to be around SEK 168 million provided that all the plaintiffs win their claims, and that lost equity must be compensated. Any legal costs and accrued interest will be in addition. Acta Kapitalförvaltning AS disputes the claims.

In fourth quarter of 2013, former clients of Acta Kapitalförvaltning AS sued the company and Acta Asset Management AS with gross claims of NOK 53 million based on investments made in 2006 and 2007. The plaintiffs wanted the court to jointly handle the claims. In May 2014, Stavanger District Court rejected the claim of joint treatment. In June 2014 the plaintiffs thus sued the above mentioned companies on an individual basis. Both companies dispute the claims. Following a review of the factual and legal basis, the defendants' risk is considered to be relatively low. Court handling is expected during 2015.

On 20 June 2014 Navigea Securities AS received the Financial Supervisory Authority's final decision regarding the revocation of the company's license to provide investment services. The decision is in accordance with the notification received on 17 March 2014. The final decision is as expected, and communicated during the latest months. As recent as 3 June 2014, Agasti announced implemented cost cuts and divestment of the investment advisory business. Client investments are safe and are not affected by the decision. We will now put the subject behind us and focus on our new profitable business areas consisting of capital management, corporate finance and brokerage services.

Obligo Investment Management AS has received notification of a potential law suit in the UK related to

the misuse of confidential information. Following a review of the legal and factual basis of the claim, Obligo Investment Management deems the risk related to the case as relatively limited. Court handling is expected during 2015.

AIFMD (Alternative Investment Fund Managers Directive) will have an impact on the Norwegian market for alternative investments in 2014. Agasti is very positive to the fact that this market now will be regulated, and Obligo Investment Management AS will be a major and leading player in this new regulated market. Obligo Investment Management has filed its application under the new regulation.

## Outlook

The Agasti Group is a strong and significant player in the Nordic markets for investment management services. With more than NOK 55 billion in assets under management, of which the majority is in alternative investments, the Agasti Group is well positioned to further consolidate its market position in these areas.

The Agasti Group now has a robust and knowledge-driven management platform that will contribute to improving the cash flow from our clients' alternative investments with the Group. Going forward, the ambition is to take on more mandates and to restructure several managed investments in order to give our clients and investors better value, improved liquidity and different alternatives for their investments and financial planning.

The strategic restructuring that the Agasti Group has carried out in 2014 had focus on profitable growth within the Capital Markets and Investment Management business areas.

The Agasti Group has implemented significant cost cuts and has streamlined its operations. Since the end of April 2014, the Group has reduced the amount of employees with approximately 100 and will by the end of the third quarter of 2014 employ approximately 130 people.

In the second quarter of 2014 Agasti entered into an agreement relating to the Swedish business in Navigea Securities AS' (Navigea), and will when this process is completed have divested or shut down 13 offices in Norway and Sweden. The planned cost reductions have therefore been achieved quicker than expected. With these measures the Agasti Group will have reduced its annual costs by NOK 100-120 million compared with 2013. In parallel, the Group's re-established strategy delivers results. Agasti has now established a solid business based on its two new business areas and a significantly more efficient organisation represented in Oslo, Stavanger, Stockholm, London, Luxembourg and New York.

Agasti has also entered into an agreement with Söderberg & Partners regarding the transfer of parts of Navigea's Swedish operation. Under the agreement, Söderberg & Partners has the right to work with parts of the company's Swedish clients to provide consulting services. The agreement includes a small amount of cash and a revenue sharing agreement for clients who choose to be served by Söderberg & Partners going forward. Agasti maintains its brokerage services and Obligo-related activities in Sweden, based out of its Stockholm office.

The Agasti Group continues the trend of improving profitability in the underlying operations. There is healthy cost control across the entire Group, and the Board of Directors will continue to focus on this in the future. The Group's current situation with a strong and attractive pipeline in which several mandates are starting to materialise, together with strategic measures within Investment Management and Capital Markets, means that the Board of Directors and management have a clear ambition to increase both the activity and financial results within the Group in 2014.

**Oslo, 19 August 2014, Agasti Holding ASA**

**The Board of Directors**

John Høsteland  
Chairman of the Board

Jon Bjørstad  
Member of the Board

Ellen M. Hanetho  
Member of the Board

Trond Vernegg  
Member of the Board

Beatrix Malo de Molina  
Member of the Board

Erling Meinich-Bache  
Member of the Board

Kristin Louise Abrahamsen Wilhelmsen  
Member of the Board

Jørgen Pleym Ulvness  
Chief Executive Officer

**Statement from the Board of Directors and executive management**

This interim report has been prepared in accordance with the same accounting principles used for the annual reporting for 2013. We confirm that, to the best of our knowledge, the enclosed condensed set of financial statements for the first half year of 2014, which have been prepared in accordance with IAS 34 Interim Financial Statements, give a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

**Oslo, 19 August 2014, Agasti Holding ASA**

**The Board of Directors**

John Høsteland (sign.)  
Chairman of the Board

Jon Bjørstad (sign.)  
Member of the Board

Ellen M. Hanetho (sign.)  
Member of the Board

Trond Vernegg (sign.)  
Member of the Board

Beatrix Malo de Molina (sign.)  
Member of the Board

Erling Meinich-Bache (sign.)  
Member of the Board

Kristin Louise Abrahamsen Wilhelmsen (sign.)  
Member of the Board

Jørgen Pleym Ulvness (sign.)  
Chief Executive Officer

Agasti Holding ASA, NO 979 867 654, P.O. Box 1753 Vika, NO-0122 Oslo

# Financial statements Agasti Group – IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MNOK)	Second quarter		Year to date		Year
	2014	2013	2014	2013	2013
Transaction revenues	31.9	12.3	46.2	21.9	58.6
Recurring revenues	84.7	87.2	176.1	173.2	362.2
<b>Total revenues</b>	<b>116.6</b>	<b>99.5</b>	<b>222.3</b>	<b>195.0</b>	<b>420.9</b>
Variable operating costs	5.6	2.4	6.8	5.4	22.7
Activity-based costs	21.2	19.4	37.9	31.5	63.0
Fixed operating costs	84.8	75.6	162.1	154.8	311.9
Depreciation a.o.	3.9	4.9	7.8	10.0	27.3
<b>Total operating costs</b>	<b>115.5</b>	<b>102.3</b>	<b>214.6</b>	<b>201.8</b>	<b>424.8</b>
<b>Operating earnings (EBIT)</b>	<b>1.1</b>	<b>-2.8</b>	<b>7.7</b>	<b>-6.8</b>	<b>-3.9</b>
Financial income	4.7	2.7	8.2	4.5	19.2
Financing costs	3.4	0.7	9.0	1.0	12.1
Net financial items	1.3	2.0	-0.8	3.5	7.1
<b>Net income before tax</b>	<b>2.4</b>	<b>-0.8</b>	<b>6.9</b>	<b>-3.2</b>	<b>3.2</b>
Tax	0.5	-0.2	1.6	-0.9	5.4
<b>Net income before other items</b>	<b>1.9</b>	<b>-0.6</b>	<b>5.3</b>	<b>-2.3</b>	<b>-2.2</b>
Other items	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>-0.6</b>	<b>5.3</b>	<b>-2.3</b>	<b>-2.2</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences	0.2	-0.2	0.0	-0.9	0.8
<b>Total comprehensive income</b>	<b>2.1</b>	<b>-0.8</b>	<b>5.4</b>	<b>-3.2</b>	<b>-1.5</b>
Earnings per share (NOK)	0.01	0.00	0.02	-0.01	-0.01
Earnings per share diluted (NOK)	0.01	0.00	0.02	-0.01	-0.01

*Disclaimer: Unaudited Q2 and 1H 2014 figures. This interim report contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, and must not be understood as guarantees for the future.*

Principles for interim reporting:

*The consolidated accounts for the Agasti Group are presented in accordance with International Financial Reporting Standards (IFRS) and interpretations from the International Accounting Standards Board (IASB), which are approved by the EU as of 31 December 2011. The interim condensed report has been prepared in accordance with the same accounting principles used for the annual reporting for 2013. This interim condensed report has been prepared in accordance with IAS 34 Interim Financial Reporting.*

*The Agasti Group consists of the parent company Agasti Holding ASA and the wholly-owned subsidiaries Navexa Securities AB, Navigea Securities AS including Navigea Securities AS's Swedish branch Navexa, Obligo Investment Management AS, including Obligo Investment Management AS's subsidiaries Obligo Real Estate AS, Obligo Real Estate, Inc., Obligo Fund Management AS, Obligo Partners AS, HBS Asset Management Germany GmbH and some minor subsidiaries of Obligo Fund Management, Agasti Capital Markets AS, including Agasti Capital Markets AS's subsidiary Agasti Wunderlich Capital Markets AS, Agasti Business Services AS, including Agasti Business Services AS's Swedish branch Agasti Business Services, Acta Asset Management AS and Acta Kapitalförvaltning AS, including Acta Kapitalförvaltning AS's Swedish branch Acta Kapitalförvaltning.*

SEGMENT INFORMATION (MNOK)	Wealth Management		Markets		Other <sup>1)</sup>		Agasti Group	
	2Q14	2Q13	2Q14	2Q13	2Q14	2Q13	2Q14	2Q13
Transaction revenues	5.4	5.8	26.5	6.4	-	0.0	31.9	12.3
Recurring revenues	56.9	62.2	27.7	25.0	-0.0	0.0	84.7	87.2
<b>Total operating revenues</b>	<b>62.3</b>	<b>68.0</b>	<b>54.2</b>	<b>31.5</b>	<b>-0.0</b>	<b>0.0</b>	<b>116.6</b>	<b>99.5</b>
<b>Operating earnings (EBIT)</b>	<b>-0.2</b>	<b>-0.5</b>	<b>11.0</b>	<b>4.9</b>	<b>-9.7</b>	<b>-7.3</b>	<b>1.1</b>	<b>-2.9</b>

<sup>1)</sup> Includes eliminations

CONSOLIDATED STATEMENT ON FINANCIAL POSITION (MNOK)				30.06.14	31.12.13
<b><i>Non-current assets</i></b>					
Goodwill				42.2	42.2
Other intangible assets				25.5	30.3
Deferred tax assets				45.6	47.3
<b>Total intangible assets</b>				<b>113.3</b>	<b>119.8</b>
Fixed assets				5.9	7.5
Financial assets				15.4	15.2
<b>Total tangible assets</b>				<b>21.3</b>	<b>22.7</b>
<b>Total non-current assets</b>				<b>134.6</b>	<b>142.5</b>
<b><i>Current assets</i></b>					
Financial assets				44.6	43.6
Trade receivables				55.5	39.8
Other receivables				67.3	51.6
<b>Total receivables</b>				<b>167.4</b>	<b>134.9</b>
Bank deposits a.o.				130.3	141.3
<b>Total current assets</b>				<b>297.7</b>	<b>276.3</b>
<b>TOTAL ASSETS</b>				<b>432.3</b>	<b>418.8</b>
<b><i>Equity</i></b>					
Share capital				52.9	52.8
Share premium reserve				67.2	67.0
Paid in capital, other				17.4	16.2
<b>Total paid in equity</b>				<b>137.4</b>	<b>136.0</b>
Other equity				93.7	93.7
Retained earnings				5.4	0.0
<b>Total equity</b>				<b>236.5</b>	<b>229.8</b>
<b><i>Long-term debt</i></b>					
Other long term debt				31.1	35.3
<b>Sum long term debt</b>				<b>31.1</b>	<b>35.3</b>
<b><i>Short-term debt</i></b>					
Accounts payable				15.8	13.9
Taxes payable				0.6	0.6
Liabilities to credit institutions				10.7	10.2
Other taxes and duties payable				14.0	17.2
Vacation pay, salaries and commissions payable				36.1	26.0
Other short term debt				87.5	86.0
<b>Total short-term debt</b>				<b>164.7</b>	<b>153.7</b>
<b>TOTAL EQUITY AND DEBT</b>				<b>432.3</b>	<b>418.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in MNOK	Share capital	Share premium account	Other paid-in equity	Currency translation difference	Uncovered losses/ other equity	Total equity
<b>Balance sheet as at 1 January 2013</b>	<b>46.4</b>	<b>27.8</b>	<b>15.0</b>	<b>5.7</b>	<b>89.6</b>	<b>184.4</b>
<b>Total comprehensive income for the period</b>						
Net income					-2.3	-2.3
<b>Other comprehensive income for the period</b>						
Foreign currency translation differences				-0.9		-0.9
<b>Total comprehensive income for the period</b>				<b>-0.9</b>	<b>-2.3</b>	<b>-3.2</b>
<b>Contributions by and distributions to owners</b>						
Issue of ordinary shares				4.2		4.2
Share-based payments				0.3		0.3
<b>Balance sheet as at 30 Jun 2013</b>	<b>46.4</b>	<b>27.8</b>	<b>19.5</b>	<b>4.8</b>	<b>87.2</b>	<b>185.7</b>
<b>Balance sheet as at 1 January 2014</b>	<b>52.8</b>	<b>67.0</b>	<b>16.2</b>	<b>6.4</b>	<b>87.3</b>	<b>229.8</b>
<b>Total comprehensive income for the period</b>						
Net income					5.3	5.3
<b>Other comprehensive income for the period</b>						
Foreign currency translation differences				0.0		0.0
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.3</b>	<b>5.4</b>
<b>Contributions by and distributions to owners</b>						
Issue of ordinary shares	0.0	0.2				0.3
Share-based payments			1.2			1.2
<b>Balance sheet as at 30 Jun 2014</b>	<b>52.9</b>	<b>67.2</b>	<b>17.4</b>	<b>6.5</b>	<b>92.6</b>	<b>236.5</b>

The currency translation difference is attributed to the translation from SEK to NOK of assets and liabilities belonging to Navexa Securities AB and Navigea Securities AS's, Agasti Business Services AS's and Acta Kapitalförvaltning AS's branches in Sweden, to translation from USD to NOK of assets and liabilities belonging to Obligo Real Estate, Inc., and to translation from EUR to NOK of assets and liabilities belonging to HBS AM Germany GmbH.

CONSOLIDATED STATEMENT OF CASH FLOW (MNOK)	Second quarter		Year to date		Year
	2014	2013	2014	2013	2013
<b>Operating activities</b>					
Profit (loss) before tax	2.4	-0.8	6.9	-3.2	3.2
Taxes paid	0.0	0.0	0.0	0.0	-3.7
Depreciation a.o.	3.9	4.9	7.8	10.0	27.3
Write-downs of financial assets	0.0	0.0	0.0	-0.2	0.0
Share based payments	0.5	-0.2	1.2	0.3	1.3
Net change in accounts receivable	-26.1	-9.1	-31.5	-16.8	-36.3
Net change in accounts payable	5.0	3.9	1.9	6.0	6.9
Net change in other balance sheet items	19.8	-11.7	8.7	-22.8	-7.1
<b>Net cash flow from operating activities</b>	<b>5.4</b>	<b>-12.9</b>	<b>-5.1</b>	<b>-26.7</b>	<b>-8.4</b>
<b>Investing activities</b>					
Investments in tangible fixed assets	-0.3	-3.4	-1.4	-5.7	-13.7
Net change from other investments	0.0	-0.5	-0.3	-5.1	-5.8
Investment in subsidiary	0.0	0.0	0.0	-37.2	3.3
<b>Net cash flow from investing activities</b>	<b>-0.3</b>	<b>-3.9</b>	<b>-1.7</b>	<b>-48.0</b>	<b>-16.2</b>
<b>Financing activities</b>					
Net change in long term debt	-2.5	-2.5	-5.0	32.2	0.0
Increase in equity	0.0	0.0	0.3	0.0	41.4
Dividends paid	0.0	0.0	0.0	0.0	0.0
<b>Net cash flow from financing activities</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-4.7</b>	<b>32.2</b>	<b>41.4</b>
<b>Net cash flow for the reporting period</b>	<b>2.7</b>	<b>-19.4</b>	<b>-11.5</b>	<b>-42.5</b>	<b>16.8</b>
Net cash opening balance	116.9	91.1	131.2	114.3	114.3
Effect from exchange rate changes to cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Net cash closing balance	119.6	71.8	119.6	71.8	131.2
<b>Net change in Cash</b>	<b>2.7</b>	<b>-19.4</b>	<b>-11.5</b>	<b>-42.5</b>	<b>16.8</b>

## Shareholders

#	Shareholders as of 7 August 2014	Shares	In per cent
1	Perestroika AS	46,047,228	15.7 %
2	Coil Investment Group AS	37,920,618	12.9 %
3	Tenold Gruppen AS	30,845,106	10.5 %
4	Best Invest AS	12,808,707	4.4 %
5	IKM Industri-Invest AS	11,190,000	3.8 %
6	Bjelland Invest AS	10,785,000	3.7 %
7	Mons Holding AS	10,766,620	3.7 %
8	Sanden AS	7,500,000	2.6 %
9	Coldevin Invest AS	6,963,538	2.4 %
10	Sissener Sirius ASA	4,732,062	1.6 %
11	SEB Private Bank S.A	3,430,175	1.2 %
12	International Oilfield Services AS	2,500,000	0.9 %
13	JAG Holding AS	2,200,000	0.7 %
14	Steinar Lindberg AS	2,100,000	0.7 %
15	Westco AS	2,000,000	0.7 %
16	Basic I AS	2,000,000	0.7 %
17	Brattetveit AS	1,833,022	0.6 %
18	Lokenmoen Invest AS	1,822,917	0.6 %
19	Larsen Invest AS	1,750,000	0.6 %
20	Heden Holding AS	1,714,352	0.6 %
	20 largest shareholders	200,909,345	68.4 %
	Remaining shareholders	92,804,734	31.6 %
	<b>Total</b>	<b>293,714,079</b>	<b>100.0 %</b>

# Key figures

	Second quarter		Year to date		Year
	2014	2013	2014	2013	2013
<b>Key financial figures</b>					
EBITDA per share (NOK)	0.02	0.01	0.05	0.01	0.08
EBITDA per share diluted (NOK)	0.02	0.01	0.05	0.01	0.08
Earnings per share (NOK)	0.01	0.00	0.02	-0.01	-0.01
Earnings per share diluted (NOK)	0.01	0.00	0.02	-0.01	-0.01
Paid out dividend per share (NOK)	0.00	0.00	0.00	0.00	0.00
Cash flow (net income + depreciations) per share (NOK)	0.02	0.02	0.04	0.03	0.09
Equity per share (NOK)	0.81	0.71	0.81	0.71	0.78
Recurring revenues/fixed costs	100%	115%	109%	112%	116%
Recurring revenues/fixed and activity-based costs	80%	92%	88%	93%	97%
Operating margin (%) (operating earnings / revenues)	1%	-3%	3%	-3%	-1%
Net margin (%) (net income before tax / revenue)	2%	-1%	3%	-2%	1%
Average return on capital employed, annualized (%)	2%	-5%	6%	-6%	-2%
Return on equity, annualized (%)	3%	-1%	5%	-3%	-1%
Equity ratio (%)	55%	52%	55%	52%	55%
Number of shares by end of period	293,714,079	261,030,750	293,714,079	261,030,750	293,472,726
Number of shares fully diluted by end of period	293,714,079	261,054,754	293,714,079	261,054,754	294,395,767
Average number of shares in reporting period	293,714,079	261,030,750	293,653,741	260,155,750	277,102,561
Average number of shares fully diluted in reporting period	294,054,426	261,049,873	294,224,848	260,180,057	277,285,521
<b>Key operating figures</b>					
Number of clients - Total	42,500	43,000	42,500	43,000	43,000
Number of clients - Norway	15,500	15,500	15,500	15,500	15,700
Number of clients - Sweden	27,000	27,500	27,000	27,500	27,300
Equity under management (BNOK)	29	27	29	27	30
Assets under management - Total (BNOK)	55	57	55	57	57
Assets under management - Norway (BNOK)	35	37	35	37	37
Assets under management - Sweden (BNOK)	20	20	20	20	20
Gross subscription - Total (MNOK)	188	752	805	1,308	2,989
Gross subscription - Norway (MNOK)	129	590	563	991	2,276
Gross subscription - Sweden (MNOK)	59	162	242	317	713
Number of employees - Total	172	227	172	227	217